



International Trade Committee

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Louis Taylor
Chief Executive
UK Export Finance
1 Horse Guards Road
London
SW1A 2HQ

8 November 2021

Dear Louis,

Following my Committee's recent report on UK Export Finance (UKEF)¹, published on 20 September, I have further questions on UKEF's backing for projects led by foreign companies and the extent to which this benefits UK suppliers of goods and services.

On 26 October, the Government announced that a joint venture – Bechtel ENKA – was awarded €430 million (£363 million) in support through a Buyer Credit Facility from UK Export Finance (UKEF) for a “5G-ready” motorway in Serbia. It stated that support given by UKEF will “create value worth €150 million (£126.5 million approx) to the UK economy, driving investment into local communities and supporting jobs.”²

Similarly, in 2020, UKEF gave £100 million in support to Sogea-Satom UK – a subsidiary of the French construction company VINCI – through direct lending for a project to improve a major road in Benin.³ A Government spokesperson said that Sogea-Satom had promised that, over the course of the two-year project, “£35m-worth of goods and services would be sourced ‘from across the UK supply chain’”.⁴ The Government's press release also stated that “Sogea-Satum UK is strengthening its relationships with UK suppliers to contribute to its project pipeline in the region.”⁵

I note that, in UKEF's 2020-21 annual report and accounts, the Buyer Credit and Direct Lending facilities are described as “attractive financing terms for overseas buyers of UK goods and services [that] can help exporters make their offering more competitive.”⁶ While I recognise that both projects fall within UKEF's 20% minimum

¹ International Trade Committee, Second Report of Session 2021-22, [UK Export Finance](#), HC 126

² HM Government, [Bechtel and ENKA secure UK Export Finance guaranteed loan for Serbia project](#), 26 October 2021 (press release)

³ UK Export Finance, [Annual Report and Accounts 2020-21](#), 22 June 2021

⁴ The Construction Index, [French contractor secures UK state aid](#), 15 June 2020

⁵ HM Government, [Government support secures major contract for UK construction in Benin](#), 15 June 2020 (press release)

⁶ UK Export Finance, [Annual Report and Accounts 2020-21](#), June 2021, p.51

UK content policy, it would be helpful to understand more about how this works in practice.

With this in mind, I would be grateful if you could provide answers to the following questions:

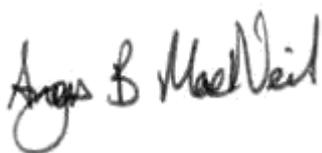
- In reference to the Bechtel-ENKA project, please can you explain how the “value worth €150 million to the UK economy” was calculated, and what this includes?
- How do you monitor whether the expected value to the UK economy is received? Do you impose sanctions for beneficiaries of UKEF support that do not offer sufficient opportunities to UK companies in their supply chain?
- What is the monetary value of the goods and services that have been sourced from the UK supply chain for the Sogea-Satom project to date?
- In your 2020-21 Annual Report and Accounts, you state that you were made aware that UKEF does not “currently consistently verify the reported level of UK content”⁷ in the contracts it supports and that you will address this in 2021. What measures have you put in place to ensure this happens?

I also note that in evidence taken in June, you said that UKEF was due to publish its statement on modern slavery in September, alongside other Government departments.⁸ This does not yet appear to have been made publicly available. In your response, please can you provide it or confirm when it will be published.

Please could these points be addressed in a letter sent at the same time as the Government response to my Committee’s UKEF report, due later this month.

I am copying this letter to the Minister for Exports, Mike Freer MP. In accordance with our usual practice, this letter, along with any replies, will be published on the Committee’s webpage

Kind regards,



Angus Brendan MacNeil
Chair of the International Trade Committee

⁷ UK Export Finance, [Annual Report and Accounts 2020-21](#), June 2021, p.172

⁸ [Q228](#)